

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Committee on Appropriations

BILL: SB 72

INTRODUCER: Senators Passidomo and Hooper

SUBJECT: Alligator Alley Toll Road

DATE: March 26, 2019

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Price</u>	<u>Miller</u>	<u>IS</u>	<u>Favorable</u>
2.	<u>McAuliffe</u>	<u>Hrdlicka</u>	<u>ATD</u>	<u>Recommend: Favorable</u>
3.	<u>McAuliffe</u>	<u>Kynoch</u>	<u>AP</u>	<u>Favorable</u>

I. Summary:

SB 72 makes permanent the existing statutory obligation of the Florida Department of Transportation (FDOT) to reimburse a local governmental entity for the direct actual costs of operating the fire station at mile marker 63 on I-75/Alligator Alley, currently set to expire no later than June 30, 2019.

The fiscal impact of this bill is indeterminate, but any FDOT expenditures will be based on an agreed-upon estimated schedule of operational expenses incorporated into the required interlocal agreement. See Section V, "Fiscal Impact Statement," for details.

The bill takes effect July 1, 2019.

II. Present Situation:

Fire Station 63 on I-75/Alligator Alley

The Greater Naples Fire Rescue District currently provides fire, rescue, and emergency management services along I-75/Alligator Alley (the Alley).¹ These services are provided at a facility located at the FDOT's rest area on the Alley at mile marker 63 (MM63).

Use of Alley Tolls to Fund Fire Station 63

Section 338.26, F.S., establishes the Alley as a toll road because construction of the road between the east and west coasts of Florida, "has contributed to the alteration of water flows in the Everglades and affected ecological patterns of the historical southern Everglades." The statute sets forth the required uses of the fees generated from tolls for use of the Alley, which are

¹ These services were originally provided by Collier County through its dependent fire district, the Ochopee Fire Control and Rescue District, and the county's emergency medical services. The county subsequently assigned, and the Greater Naples Fire Rescue District assumed, responsibility for management of the Ochopee Fire Control Rescue District. *Infra* note 9.

deposited into the State Transportation Trust Fund. Fees must be used to reimburse outstanding contractual obligations and to operate and maintain the highway and toll facilities, including reconstruction and restoration.

Currently, the statute requires the fees to be used to reimburse a county or another local governmental entity for the direct actual costs of operating the MM63 fire station, which may be used to provide fire, rescue, and emergency management services to the public on the Alley. Reimbursement must be accomplished through an interlocal agreement, effective July 1, 2014, through no later than June 30, 2019.

The statute also authorizes fees to be transferred to the Everglades Fund for certain environmental projects or be pledged for revenue bonds or notes issued to pay for environmental projects in the area. Upon termination of the interlocal agreement for the fire station, the FDOT will be authorized to use the fees for the other required or authorized uses described above.

Toll Revenues and Expenses

According to the FDOT's 2017 Annual Report for its Enterprise Toll Operations,² for Fiscal Year 2017-2018 through 2021-2022 the Alley will average \$36 million in gross toll revenue each year,³ with annual operating and maintenance expenses averaging \$10.2 million.⁴ The FDOT advises, as of December 31, 2018, outstanding bonds totaled \$17 million, with Fiscal Year 2019 debt service of \$8.4 million.⁵ The maintenance expenses include funding for rest area, safety, and lighting projects.⁶

The Interlocal Agreement for Fire Station 63

On May 9, 2014, the FDOT and the Board of Commissioners of Collier County entered into an interlocal agreement to provide the terms and conditions under which the FDOT will "provide funding to the County for the County's expenses in purchasing equipment, compensating County employees, and otherwise providing fire, rescue, and emergency services utilizing the Fire Station."⁷

The FDOT included the fire station in its construction project when it rebuilt the rest area at MM63, and the fire station opened in early 2015. The fire station was built "for the exclusive use

² The 2017 report is the latest located on the FDOT's Turnpike Enterprise webpage and is available at http://www.floridasturnpike.com/documents/reports/Toll%20Operations%20Annual%20Report/3_Department%20Owned.pdf (Last visited February 26, 2019.).

³ *Id.* at p. 23, Table 2.8.

⁴ *Id.* at p. 24, Table 2.9.

⁵ See the FDOT email to the Senate Infrastructure and Security Committee staff dated February 6, 2019 (On file in the Senate Infrastructure and Security Committee.).

⁶ *Supra* note 4 at p. 24.

⁷ FDOT-Collier County Interlocal Agreement (Interlocal Agreement), CSFA No. 55.036, May 9, 2014, at pp. 2-3 (On file in the Senate Infrastructure and Security Committee.). Effective June 20, 2017, Collier County assigned, and the Greater Naples Fire Rescue District assumed, all the rights and responsibilities of the Interlocal Agreement, with certain exceptions specified in Sections 8.D. and 8.F of the Interlocal Agreement. See also Partial Assignment and Amendment of the Interlocal Agreement between the Florida Department of Transportation and Collier County and Second Amendment of Interlocal Agreement between the Florida Department of Transportation and Greater Naples Fire Rescue District (On file in the Senate Infrastructure and Security Committee.).

of the County for the duration of this Agreement.”⁸ The FDOT owns the fire station and leases it to the County.⁹ However, under the agreement, “all equipment, personal property, vehicles, apparatus and supplies acquired by County with funding provided by DEPARTMENT...shall remain the property of County, notwithstanding any termination of this Agreement.”¹⁰

Funding in the Interlocal Agreement

For the term of the agreement, the FDOT agreed to provide a maximum of \$1,761,235 for direct actual capital costs and a maximum of \$1,498,100 for the county’s direct actual costs of operating the fire station.¹¹ The County agreed to bear all expenses in excess of the FDOT’s specified participation.¹² The agreed-upon funding includes various annual operating items such as hired paramedics and fire fighters; expenses for administrative and building maintenance; and expenses for bulk fuel and various types of search and rescue equipment. Capital costs include items such as vehicles, radios, and breathing air compressors.¹³

Information regarding the FDOT’s Adopted Five-Year Work Program reflects the following funding by specified fiscal year for the MM63 fire station.¹⁴

Fiscal Year	Amount
2014-2015	\$1,761,235
2015-2016	\$1,498,100
2016-2017	\$1,522,070
2017-2018	\$1,522,070
2018-2019	\$1,498,100

III. Effect of Proposed Changes:

The bill amends s. 338.26(3)(a), F.S., to repeal the reference to the term of the interlocal agreement. This makes permanent the FDOT’s obligation to use Alligator Alley toll revenues to reimburse a local governmental entity for the direct actual costs of operating the fire station at MM63 on the Alley.

⁸ Interlocal Agreement at p. 3.

⁹ Interlocal Agreement at p. 12.

¹⁰ Interlocal Agreement at p. 13.

¹¹ Interlocal Agreement at p. 10. The Interlocal Agreement also authorizes the Greater Naples Fire Rescue District to request a Consumer Price Index adjustment of the total operating amount 30 days prior to July 1 for each year after the first covered by the Interlocal Agreement.

¹² Interlocal Agreement at p. 11.

¹³ Interlocal Agreement, Exhibit B.

¹⁴ FDOT, Web Application, Office of Work Program and Budget, Five Year Work Program – Project Summary for Transportation System: Intrastate Interstate, Description: Alligator Alley Fire Station @ MM63, updated January 6, 2019, available at

<https://fdotwp1.dot.state.fl.us/FMSupportApps/WorkProgram/Support/WPItemRept.ASPX?RF=HIS&IT=435389&IS=1&FY=> and FDOT, Web Application, Office of Work Program and Budget, *Five Year Work Program – Project Summary for Transportation System: Intrastate Interstate, Description: Alligator Alley Fire Station @ MM63*, updated January 6, 2019, available at

<https://fdotwp1.dot.state.fl.us/FMSupportApps/WorkProgram/Support/WPItemRept.ASPX?RF=WP&IT=435389&IS=1&FY=> (Last visited February 26, 2019).

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

None.

E. Other Constitutional Issues:

None identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

The FDOT will be permanently obligated to continue funding the Greater Naples Fire Rescue District's direct actual costs of operating the MM63 fire station from the fees generated from tolls collected on the Alley. Under current law, the FDOT is authorized to use the fees for the other required or authorized uses described in the statute.

The Greater Naples Fire District will continue to receive funding, indefinitely, for direct actual operating and capital costs of operating the fire station, and thus will only have to expend funds for expenses above the costs agreed to in the interlocal agreement. The exact amount of such funding is unknown but will likely be based on an agreed-upon estimated schedule of expenses incorporated into a new interlocal agreement or extension of the current interlocal agreement, which expires on June 30, 2019.

VI. Technical Deficiencies:

None.

VII. Related Issues:

The FDOT provided the following bond-related comments:¹⁵

- “The bill restricts the resources which would be used for other statutorily established purposes, one of which is Everglades restoration. Should the department need to issue bonds supported by Alligator Alley toll proceeds, the provisions of this bill would restrict the amount which could be available to reimburse the bonds. In the worst case, there could be insufficient resources to maintain or improve the roadway facilities.”
- “The continued open flow of funds can be expected to continue to be a negative from the rating agencies credit analysis perspective.”

National rating agencies have given the most recent Alligator Alley bonds A+ or Aa3 ratings, with the outlook for the bonds being stable.¹⁶

VIII. Statutes Affected:

This bill amends section 338.26 of the Florida Statutes.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.

This Senate Bill Analysis does not reflect the intent or official position of the bill’s introducer or the Florida Senate.

¹⁵ FDOT, *2019 Agency Legislative Bill Analysis - SB 72*, January 02, 2019 (on file with the Appropriations Subcommittee on Transportation, Tourism, and Economic Development).

¹⁶ See *Fitch Affirms Alligator Alley Toll Road, FL’s Rev Refunding Bonds at ‘A+’; Outlook Stable*, July 27, 2018, and Moody’s Investors Service, *Florida Department of Transportation – Alligator Alley, New Issue: Moody’s assigns Aa3 to Florida Department of Transportation Alligator Alley, Series 2017A; outlook stable* (On file in the Senate Transportation Committee.).